

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO,

Debtor.<sup>1</sup>

PROMESA  
Title III

No. 17 BK 3283-LTS  
(Jointly Administered)

**Re: ECF Nos. 10109, 10611**

**AAFAF'S LIMITED JOINDER TO THE OPPOSITIONS OF FINANCIAL OVERSIGHT  
AND MANAGEMENT BOARD FOR PUERTO RICO AND BACARDI  
INTERNATIONAL LIMITED AND BACARDI CORPORATION TO MOTION OF  
ASSURED GUARANTY CORP., ASSURED GUARANTY MUNICIPAL CORP., AMBAC  
ASSURANCE CORPORATION, NATIONAL PUBLIC FINANCE GUARANTEE  
CORPORATION, AND FINANCIAL GUARANTEE INSURANCE COMPANY FOR  
RELIEF FROM THE AUTOMATIC STAY OR, IN THE ALTERNATIVE,  
ADEQUATE PROTECTION [ECF NO. 10109]**

To the Honorable United States District Court Judge Laura Taylor Swain:

The Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”), as fiscal agent for the Commonwealth of Puerto Rico (the “Commonwealth”) and the Puerto Rico Infrastructure Financing Authority (“PRIFA”), submits this limited joinder to the Opposition filed by Bacardi International Limited and Bacardi Corporation (the “Bacardi Opposition”) [ECF No. 10609] and to the Opposition filed by the Financial Oversight and Management Board for

<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“PRIFA”) (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Puerto Rico (the “Oversight Board”) to the *Motion of Assured Guaranty Corp., Assured Guaranty Municipal Corp., Ambac Assurance Corporation, National Public Finance Guarantee Corporation and Financial Guaranty Insurance Company For Relief From the Automatic Stay, Or, In The Alternative, Adequate Protection*, ECF No. 10109<sup>2</sup> (the “PRIFA Lift Stay Motion”) [ECF No. 10611] (the “Oversight Board Opposition,” and jointly with the Bacardi Opposition, the “Oppositions”).<sup>3</sup> AAFAF hereby joins the Oppositions solely to the extent set forth herein, and requests that the PRIFA Lift Stay Motion be denied for the reasons stated below:

1. AAFAF joins the arguments made in paragraphs 17-26 of the Bacardi Opposition.
2. AAFAF joins the Oversight Board’s arguments with respect to the Movants’ lack of entitlement to relief from the stay as against the Commonwealth or PRIFA; Movants’ lack of standing to seek stay relief against the Commonwealth; the limited scope of Movants’ security interest, if any; and Movants’ lack of any property right in PRIFA’s Rum Tax Remittances or the Rum Tax Remittances retained by the Commonwealth.
3. For these reasons alone, the Court should deny the PRIFA Lift Stay Motion.

#### **RESERVATION OF RIGHTS**

4. In the Oversight Board Opposition, the Oversight Board argues that the PRIFA Lift Stay Motion should be denied, in part, because the Enabling Act invoked by Movants is preempted by PROMESA because those provisions are inconsistent with the appropriations the Oversight Board approved in the certified budget.<sup>4</sup>

5. Given the threshold reasons that exist to deny the relief sought in the PRIFA Lift Stay Motion, AAFAF believes the Court need not decide this preemption argument at this time,

---

<sup>2</sup> All ECF numbers refer to the docket in Case No. 17-3283 unless otherwise stated.

<sup>3</sup> Capitalized terms not defined herein shall have meanings ascribed to them in the Oppositions.

<sup>4</sup> PROMESA has been codified in 48 U.S.C. §§ 2101–2241.

and thus requests that the Court not address it. AAFAF reiterates its reservation of all rights with respect to preemption under Titles I and II of PROMESA including, without limitation, with respect to the limits of the Oversight Board's budgeting power, and the enforceability of the Puerto Rico Emergency Moratorium and Financial Rehabilitation Act, Act No. 21-2016 and Executive Orders issued pursuant thereto.

*[Remainder of page intentionally left blank.]*

Dated: February 3, 2020  
San Juan, Puerto Rico

Respectfully submitted,

/s/ John J. Rapisardi

John J. Rapisardi  
Suzanne S. Uhland  
(Admitted *Pro Hac Vice*)  
**O'MELVENY & MYERS LLP**  
7 Times Square  
New York, New York 10036  
Tel: (212) 326-2000  
Fax: (212) 326-2061

-and-

Peter Friedman  
(Admitted *Pro Hac Vice*)  
1625 Eye Street, NW  
Washington, D.C. 20006  
Tel: (202) 383-5300  
Fax: (202) 383-5414

/s/ Luis C. Marini-Biaggi

Luis C. Marini-Biaggi  
USDC No. 222301  
Email: lmarini@mpmlawpr.com  
Carolina Velaz-Rivero  
USDC No. 300913  
E:mail: cvelaz@mpmlawpr.com

**MARINI PIETRANTONI MUÑIZ LLC**  
250 Ponce de León Ave., Suite 900  
San Juan, Puerto Rico 00918  
Tel: (787) 705-2171  
Fax: (787) 936-7494

*Co-attorneys for the Puerto Rico Fiscal  
Agency and Financial Advisory Authority*

-and-

Elizabeth L. McKeen  
Ashley M. Pavel  
(Admitted *Pro Hac Vice*)  
610 Newport Center Drive, 17th Floor  
Newport Beach, CA 92660  
Tel: (949) 823-6900  
Fax: (949) 823-6994

*Attorneys for the Puerto Rico Fiscal  
Agency and Financial Advisory Authority*